

**FISCAL YEAR (FY) 2003-04  
ENHANCED STATE AND LOCAL REALIGNMENT FUNDS**

**THIS EXHIBIT IS PROVIDED FOR INFORMATIONAL AND PLANNING PURPOSES ONLY. ALL REALIGNED FUNDS (SEE PAGE 3 OF EXHIBIT 3) ARE CONTINGENT UPON ENACTMENT OF THE FY 2003-04 BUDGET ACT.**

The FY 2003-04 Governor's Budget proposes to realign multiple alcohol and drug programs, including Drug Medi-Cal (DMC) services (regular and perinatal), drug court programs, Substance Abuse and Crime Prevention Act\*, and non-DMC alcohol and other drug services (regular and perinatal). Under realignment, counties would be provided with a dedicated local revenue source to support these programs. The purpose of realignment is to provide counties more flexibility in the use of these funds and in the administration of alcohol and drug programs.

For FY 2003-04, allocations from the Enhanced State and Local Realignment Fund (Realignment Fund) to each county from the proceeds of the revenue increases proposed in the Governor's Budget will be based on the proposed level of funding for that county for each of the programs absent realignment. This will be done to avoid program disruptions. However, beginning with the 2004-05 fiscal year, the Administration proposes that this county-by-county allocation be made pursuant to a single formula. The purpose of this proposal is to allow counties to spend these revenues on any realigned program, thereby increasing local flexibility and improving local incentive to control costs. The Department has not determined a process for distributing these funds. However, to maintain Substance Abuse Prevention and Treatment Block Grant federal funds, counties will need to ensure the maintenance of effort requirement is met.

Regular DMC Realignment Funds – \$47.0 Million

These funds are to be used by the counties to meet the non-federal share of cost of DMC services for Medi-Cal beneficiaries.

Regular Realignment Funds Ongoing – \$17.3 Million

These funds are to be used by counties to meet the cost of alcohol and other drug services.

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\* Substance Abuse and Crime Prevention Act (SACPA) funds are part of the Governor's proposed realignment. However, these funds are not part of this allocation. Details on the SACPA allocation will be released by March 1, 2003 in an All County Lead Agency letter.

Perinatal Realignment Funds DMC – \$2.1 Million

These funds are to be used by the counties to pay the non-federal share of cost for DMC services for Medi-Cal beneficiaries who are pregnant or within the prescribed postpartum period. Eligibility for these services shall end on the last day of the calendar month in which the 60<sup>th</sup> postpartum day occurs.

Perinatal Realignment Funds Ongoing, Including Women and Children's Residential Treatment Services – \$23.5 Million

These funds are to be used by the counties for programs that serve populations of pregnant and postpartum women and their infants, and parenting women and their children through 18 years of age. A minimum of \$9.3 million must be spent on perinatal services to meet the maintenance of effort requirement.

Drug Court Partnership – \$4.6 Million

The Drug Court Partnership Act of 2002 was created in FY 2002-03. The purpose of this Act is to fund drug courts that accept only defendants who have been convicted of felonies and placed on formal probation, conditioned on their participation in the drug court program. Thirty-three counties participate in this program.

Comprehensive Drug Court Implementation (CDCI) – \$6.6 Million

The Comprehensive Drug Court Implementation Act of 1999 was created to encourage the establishment of drug courts in every county of the State. The Act funds local drug court systems for adults, juveniles, and parents of children who are detained by, or are dependents of, the juvenile court. Alpine, Amador, Colusa, Del Norte, Imperial, Inyo, Mono, San Benito, Sierra, Sutter, and Tehama have elected to not receive CDCI funding.